

Pay Administration

Recruitment, Relocation, and Retention Incentives

Summary of Changes. This regulation establishes the policy and procedures for the California National Guard technician recruitment, relocation, and retention incentive programs.

Applicability. California National Guard Full-time Personnel Regulation (CNGFPR) applies to all California Army and California Air National Guard technicians and to commanders, managers and supervisors (military or civilian) with authority or responsibility over technician personnel management.

Proponent and Exception Authority. The proponent of this regulation is the Joint Force Headquarters, J-1, Directorate for Human Resources. The proponent has authority to approve exceptions to this regulation when they are consistent with controlling laws and regulation.

Supplementation. Supplementation of this regulation is prohibited.

Suggested Improvements. Users of this regulation are invited to send comments and suggested improvements to the Joint Force Headquarters, Directorate for Human Resources, 9800 Goethe Road, Sacramento, CA 95826-9101.

Distribution. Distribution of the regulation is Army - A and Air Force - F.

Content (listed by paragraph number)

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1. Purpose.

This technician personnel regulation establishes the policy and procedures for the California National Guard recruitment, relocation, and retention incentive programs.

2. Reference.

Title 5, Code of Federal Regulations (CFR Parts 530, 536 and 575).

3. Definitions.

Aggregate Pay Limitation - An executive branch employee may not receive any adjusted basic salary, locality payment, incentive, allowance, differential, bonus, award, premium pay, or similar cash payment that would cause the employee's aggregate compensation to exceed the rate for level I of the Executive Schedule on the last day of that calendar year. (Reference 5 CFR 530.203(a))

Current Employee – An individual in the civil service (as defined in 5 USC 2101) who is relocated without a break in service upon appointment to a position in the California National Guard in a different commuting area; or a civil service employee (as defined in 5 USC 2101) of the California National Guard whose duty station is changed permanently or temporarily to a different commuting area.

Geographic Area - The area surrounding a work site that encompasses the localities where people live and can reasonably be expected to travel back and forth daily to work. When an employee's residence is within the standard commuting area for a work site, the work site is within the employee's commuting area. When an employee's resi-

dence is outside the standard commuting area for a proposed new work site, the employee's commuting area is deemed to include the expanded area surrounding the employee's residence and including all destinations that can be reached via a commuting trip that is not significantly more burdensome than the current commuting trip. This excludes a commuting trip from a residence where the employee planned to stay only temporarily until he or she could find a more permanent residence closer to his or her work site. For this purpose, a commuting trip to a new work site is considered significantly more burdensome if it would compel the employee to change his or her place of residence in order to continue employment, taking into account commuting time and distance, availability of public transportation, cost, and any other relevant factors.

Involuntary Separation - A separation initiated by the California National Guard against the employee's will and without his or her consent for reasons other than cause on charges of misconduct or delinquency. An involuntary separation includes a separation resulting from the employee's inability to do the work following genuine efforts to do so, but does not include a separation under TPR 752 for reasons that involve culpable wrongdoing on the part of the employee.

Likely to Leave - The determination that an employee is actively seeking other employment opportunities outside the California National Guard or has received a written job offer for employment outside the California National Guard.

Newly Appointed - Refers to the first appointment (regardless of tenure) as an employee of the Federal Government, an appointment following a break in service of at least 90 days from a previous appointment as an employee of the Federal Government, or, in certain cases, an appointment following a break in service of less than 90 days from a previous appointment as an employee of the Federal Government.

Rate of Adjusted Basic Pay - For the purpose of calculating a recruitment/relocation/retention incentive, an employee's rate of adjusted basic pay includes a special rate under 5 CFR part 530, subpart C, a locality payment under 5 CFR part 531, subpart F, or similar payment under other legal authority, but excludes additional pay of any other kind. Recruitment, relocation, and retention incentives are not considered part of an employee's rate of adjusted basic pay for any purpose.

Separation for Cause - A separation initiated by the California National Guard for reasons of misconduct or delinquency. A separation for cause is covered under TPR 752 for reasons that involve culpable wrongdoing on the part of the employee, but does not include a separation resulting from the employee's inability to do the work following genuine efforts to do so.

Service Agreement - A written agreement between the California National Guard and a newly appointed employee or a current employee under which the employee agrees to a specified period of employment with the appointing agency in return for payment of a recruiting or relocation incentive.

4. Recruitment Incentive.

a. **Introduction:** The California National Guard may pay a recruitment incentive under 5 USC 5753 and 5 CFR part 575, subpart A, to an employee newly appointed to a position that is likely to be difficult to fill in the absence of an incentive. The employee must sign an agreement to fulfill a period of service with the agency to receive a recruitment incentive. This recruitment incentive plan applies uniformly across the California National Guard.

b. **Covered Positions:** A recruitment incentive may be paid to an eligible individual who is newly appointed to a General Schedule (GS) or Federal Wage System (FWS) position. Employment status may be permanent, indefinite, or temporary.

c. **Excluded Positions:** Temporary technicians whose period of appointment is less than 6 months are excluded from consideration for a recruitment incentive.

d. **Groups of Positions:** The California National Guard may "target" recruitment incentives to groups of similar positions which have historically been difficult to fill and retain. However, recruitment incentives are determined on an individual basis and not paid based on occupying a "targeted" position.

e. **Approval Authority:** Recruitment incentives are requested by the nominating supervisor using the CNG Form 690-19 (Recruitment Incentive Nomination/Justification) and require coordination and certification of the appropriate Commander or Director. These certifications may not be delegated. Additionally, for Air National Guard funded positions, the appropriate wing comptroller must certify the availability of funds. Actions without the appropriate certification will be returned without action. Approval authority for recruitment incentive is delegated by The Adjutant General to the Director of Human Resources and Deputy Director of Human Resources. In the event of their absence, a Supervisory Human Resources Specialist in the Directorate of Human Resources may approve time critical recruitment incentive actions. In all circumstances recruitment incentives must be made in accordance with statutory and regulatory requirements and this implementation plan.

f. **Approval Criteria:** For each determination to pay a recruitment incentive, the California National Guard must document in writing the basis for determining that the position is: likely to be difficult to fill in the absence of a recruitment incentive, the amount and timing of the incentive payments, and the length of the service period. The de-

termination to pay a recruitment incentive must be made before the prospective employee enters on duty in the position for which recruited. A recruitment incentive will be considered prior to offering a Superior Qualifications Appointment. Requests for a recruiting incentive received after appointment will be returned without action. The California National Guard may determine that a position is likely to be difficult to fill if the agency is likely to have difficulty recruiting candidates with the competencies (i.e., knowledge, skills, abilities, behaviors, and other characteristics) required for the position (or group of positions) in the absence of a recruitment incentive based on various consideration of factors.

g. Payment: A recruitment incentive may not exceed 25 percent of the employee's annual rate of adjusted basic pay in effect at the beginning of the service period multiplied by the number of years (including fractions of a year) in the service period (not to exceed 4 years). The incentive is to be paid as an initial lump-sum payment at the beginning of the service period. In the event that payment of a recruitment incentive would exceed the aggregate limitation in pay, an alternate payment method will be determined.

h. Documentation of Justification: The CNG Form 690-19, Recruitment Incentive Nomination/Justification, will be used to document the justification for payment of a recruiting incentive by the California National Guard. Requests which are not supportable will be returned without action. Specifically, nominating supervisors must document that the position is hard to fill by addressing all of the following criteria:

- (1) Criteria used to establish the percentage of the recruitment incentive;
- (2) Unsuccessful efforts to recruit candidates for the position or similar positions;
- (3) Turnover in this position or similar positions; and
- (4) Labor market factors and special qualifications needed for the position.

i. Service Agreement: The CNG Form 690-20, Employment Agreement for Recruiting Incentive, has been developed to document the service agreement. Before receiving a recruitment incentive, an employee must sign the CNG Form 690-20 agreeing to complete a specified period of employment with the agency. The CNG Form 690-20 specifies length, commencement, and termination dates of the service period; the amount of the incentive; the method and timing of incentive payments; the conditions under which an agreement will be terminated by the agency; any agency or employee obligations if a service agreement is terminated (including the conditions under which the employee must repay an incentive); and any other terms and conditions for receiving and retaining a recruitment incentive. The CNG Form 690-20 must accompany the CNG Form 690-19, Recruitment Incentive Nomination/Justification. Requests without a properly executed service agreement will be returned without action.

j. Service Period: The employee's required service period may not be less than 6 months and may not exceed 4 years. The service period must begin upon the commencement of service with the agency and end on the last day of a pay period. An employee serving under a service agreement for a recruiting incentive is not eligible for a retention incentive.

k. Aggregate Pay Limitation: Payment of a recruitment incentive is subject to the aggregate limitation on pay under 5 CFR (see Aggregate Pay Limitation definition in paragraph 3).

l. Calculating Incentive Amounts: The incentive amount is calculated by multiplying the employee's annual rate of adjusted basic pay, at the beginning of the service period \times maximum incentive percentage \times length of the service period. The maximum recruitment incentive the California National Guard may authorize is 25 percent. Service periods exceeding one year may not exceed 25 percent for each year or portion thereof. As an example: with a two year service agreement the maximum incentive amount authorized will be 50 percent of the employee annual rate of adjusted basic pay. In no event may a recruitment incentive exceed 100 percent of the employee's rate of adjusted basic pay. The California National Guard may always choose to pay a lower incentive rate for the same period of service.

m. Termination of Service Agreement:

(1) *Discretionary* - The California National Guard may unilaterally terminate a recruitment incentive service agreement based solely on management needs, in which case the employee is entitled to recruitment incentive payments attributable to completed service and to retain any incentive payments already received that are attributable to uncompleted service.

(2) *Mandatory* - The California National Guard will terminate a service agreement if an employee is demoted or separated for cause (i.e., conduct), involuntarily separated, (i.e. unacceptable performance), receives a rating of record lower than "Fully Successful" or equivalent during the service period, or otherwise fails to fulfill the terms of the service agreement. In such cases, the employee may retain any recruitment incentive payments attributable to completed service, but must repay any portion of the incentive attributable to uncompleted service. The California National Guard is not obligated to pay the employee any outstanding incentive payment attributable to completed service unless such payment was required under the terms of the recruitment incentive service agreement. The California National Guard will notify an employee in writing when it terminates a recruitment incentive service agreement. The termination of a service agreement is neither grievable nor appealable.

n. Payment and Termination Calculations:

(1) *Payment options:* A recruitment incentive, once approved, will be paid as an initial lump-sum payment at the beginning of the service period. However, if the payment will make the employee exceed the aggregate limitation on pay, the "excess" payment amount will be paid on the first full pay period at the beginning of the following calendar year.

(2) *Payment calculation:* The California National Guard must determine the total amount of the recruitment incentive that will be paid to an employee for a service period when authorizing the incentive. The total amount of the recruitment incentive payment received during the service period may not exceed 25 percent of the employee's annual rate of adjusted basic pay in effect at the beginning of the service period multiplied by the number of years (including fractions of a year) in the service period (not to exceed 4 years).

(3) For the purpose of computing an annual rate for an employee who does not have a scheduled annual rate of adjusted basic pay, multiply the applicable hourly rate in effect at the beginning of the service period by 2,087.

(4) *Rate of adjusted basic pay:* For the purpose of calculating a recruitment incentive, a rate of adjusted basic pay includes a special rate under 5 CFR part 530, subpart C, a locality payment under 5 CFR part 531, subpart F, or similar payment under other legal authority, but excludes additional pay of any other kind. For example, a rate of adjusted basic pay excludes night shift differentials under 5 USC 5343(f) and environmental differentials under 5 USC 5343(c)(4) for Federal Wage System employees.

(5) *Determining the number of years in a service period:* To determine the number of years in a service period, divide the total number of calendar days in the service period by 365 and round the result to two decimal places. For example, a service period covering 39 biweekly pay periods equals 546 days, and 546 days divided by 365 days equals 1.50 years.

(6) A recruitment incentive service period must begin on the first day of a pay period and end on the last day of a pay period and may not exceed 4 years. A recruitment incentive service period may not be less than 6 months.

(7) *Recovering or waiving a debt owed the Government:* If an employee must repay a portion of a recruitment incentive and fails to reimburse the California National Guard for the full amount owed, the amount outstanding must be recovered from the employee under the Department of Defense regulations for collection by offset from an indebted Government employee under 5 USC 5514 and 5 CFR part 550, subpart K, or through the appropriate provisions governing Federal debt collection if the individual is no longer a Federal employee.

o. Documentation and record keeping requirements: The CNG Form 690-19, Recruitment Incentive Nomination/Justification, and CNG Form 690-20, Employment Agreement for Recruitment Incentive have been created to document the requirements, justification, certifications, service agreement, and approval of a recruitment incentive. The approved forms will be filed on the left side of the Official Personnel Folder (OPF) for a minimum of the period of time covered by their service agreement. The Directorate of Human Resources will also maintain a separate record of each approved recruitment incentive.

5. Relocation Incentive Policy.

a. Introduction: The California National Guard may pay a relocation incentive to a current employee who must relocate to accept a position in a different geographic area if the California National Guard determines that the position is likely to be difficult to fill in the absence of an incentive. A relocation incentive may be paid only when the employee's rating of record under an official performance appraisal or evaluation system is at least "Fully Successful" or equivalent. The employee must sign an agreement to fulfill a period of service with the agency to receive a relocation incentive. This relocation incentive plan applies uniformly across the California National Guard.

b. Covered Positions: A relocation incentive may be paid to an eligible individual who relocates to another geographic area in a General Schedule (GS) or Federal Wage System (FWS) position. Employment status may be permanent or indefinite. Relocation may be on a permanent basis or on a temporary basis (temporary relocations must be for a minimum of 6 months).

c. Excluded Positions: Temporary technicians are excluded from consideration for a relocation incentive. Temporary relocations of permanent or indefinite employees for less than 6 months are also excluded from consideration of a relocation incentive.

d. Relocation to Different Geographic Area: Relocation incentives may be paid to an employee of the Federal Government who must relocate to a different geographic area without a break in service to accept a position in the California National Guard or to an employee of the California National Guard who must relocate to a different geographic area (permanently or temporarily) to accept a position. A position is considered to be in a different geographic area if the worksite of the new position is 50 or more miles from the worksite of the position held immediately before the move. If the worksite of the new position is less than 50 miles from the worksite of the position held immediately before the move, but the employee must relocate (i.e., establish a new residence) to accept the position, the Director for Human Resources may waive the 50-mile requirement and pay the employee a relocation in-

centive. In all cases, an employee must establish a residence in the new geographic area before the agency may pay the employee a relocation incentive.

e. Approval Authority: Relocation incentives are requested by the nominating supervisor using the CNG Form 690-21, Relocation Incentive Nomination/Justification, and require coordination and certification of the appropriate Commander or Director. These certifications may not be delegated. Additionally for Air National Guard funded positions, the appropriate wing comptroller must certify the availability of funds. Actions without the appropriate certifications will be returned without action. Approval authority for relocation incentives is delegated by The Adjutant General to the Director of Human Resources and Deputy Director of Human Resources. In the event of their absence, a Supervisory Human Resources Specialist in the Directorate of Human Resources may approve time critical relocation incentive actions. In all circumstances relocation incentives must be made in accordance with statutory and regulatory requirements and this implementation plan.

f. Approval Criteria: For each determination to pay a relocation incentive, the California National Guard must document in writing the basis for determining that the position is: likely to be difficult to fill in the absence of a recruitment incentive, the amount and timing of the incentive payments, and the length of the service period. The determination to pay a relocation incentive must be made before the employee reports to the new duty station. Requests for a relocation incentive received after the employee reports to the new duty station will be returned without action. The California National Guard may determine that a position is likely to be difficult to fill if the agency is likely to have difficulty recruiting candidates with the competencies (i.e., knowledge, skills, abilities, behaviors, and other characteristics) required for the position (or group of positions) in the absence of a relocation incentive based on various consideration of factors.

g. Groups of Employees: California National Guard determinations to pay a relocation incentive must generally be made on a case-by-case basis. The California National Guard may waive the case-by-case approval requirement when the employee is a member of a group of employees subject to a mobility agreement or when a major organizational unit is being relocated to a new duty station. Under such a waiver, the California National Guard must specify the group of employees covered, the conditions under which the waiver is approved, and the period of time during which the waiver may be applied. Groups of employees must be approved for relocation incentives using the same criteria that apply to individuals.

h. Payment: A relocation incentive may not exceed 25 percent of the employee's annual rate of adjusted basic pay in effect at the beginning of the service period multiplied by the number of years (including fractions of a year) in the service period (not to exceed 4 years). The incentive is to be paid as an initial lump-sum payment at the beginning of the service period. In the event that payment of a relocation incentive would exceed the aggregate limitation in pay, an alternate payment method will be determined. The California National Guard may not pay a relocation incentive until the employee establishes a residence in the new geographic area.

i. Documentation of Justification: The CNG Form 690-21, Relocation Incentive Nomination/ Justification will be used to document the justification for payment of a relocation incentive by the California National Guard. Requests which are not supportable will be returned without action. Specifically, nominating supervisors must document that the position is hard to fill by addressing all of the following criteria:

- (1) Criteria used to establish the percentage of the Relocation Incentive;
- (2) Unsuccessful efforts to recruit candidates for the position or similar positions;
- (3) Turnover in this position or similar positions; and
- (4) Labor market factors and special qualifications needed for the position.

j. Service Agreement: The CNG Form 690-22, Employment Agreement for Relocation Incentive, has been developed to document the service agreement. Before receiving a relocation incentive, an employee must sign a CNG Form 690-22, which is a written agreement to complete a specified period of employment with the agency. The service agreement must specify the length, commencement, and termination dates of the service period; the amount of the incentive; the method and timing of incentive payments; the conditions under which an agreement will be terminated by the agency; any agency or employee obligations if a service agreement is terminated (including the conditions under which the employee must repay an incentive); and any other terms and conditions for receiving and retaining a relocation incentive. The CNG Form 690-22 must be signed by the employee and accompany the CNG Form 690-21, Relocation Incentive Nomination/ Justification. Requests without a properly executed service agreement will be returned without action.

k. Service Period: The employee's required service period may not be less than 6 months and may not exceed 4 years. The service period must begin upon the commencement of service at the new duty station and end on the last day of a pay period. An employee serving under a service agreement for a relocation incentive is not eligible for consideration of a retention incentive. However, an employee already receiving a retention incentive may receive a relocation incentive if the conditions described in the retention incentive justification still apply and are documented.

l. Aggregate Pay Limitation: Payment of a relocation incentive is subject to the aggregate limitation on pay under 5 CFR (see Aggregate Pay Limitation definition in paragraph 3).

m. Calculating Incentive Amounts: The incentive amount is calculated by multiplying the employee's annual rate of adjusted basic pay at the beginning of the service period \times maximum incentive percentage \times length of the service period. The maximum relocation incentive the California National Guard may authorize is 25 percent. Service periods exceeding one year may not exceed 25 percent for each year or portion thereof. As an example: with a two year service agreement the maximum incentive amount authorized will be 50 percent of the employee annual rate of adjusted basic pay. In no event may a relocation incentive exceed 100 percent of the employee's rate of adjusted basic pay.

The California National Guard may always choose to pay a lower incentive rate for the same period of service.

n. Termination of Service Agreement:

(1) *Discretionary* - The California National Guard may unilaterally terminate a relocation incentive service agreement based solely on management needs, in which case the employee is entitled to relocation incentive payments attributable to completed service and to retain any incentive payments already received that are attributable to uncompleted service.

(2) *Mandatory* - The California National Guard will terminate a service agreement if an employee is demoted or separated for cause (i.e., conduct), involuntarily separated (i.e., unacceptable performance), receives a rating of record lower than "Fully Successful" or equivalent during the service period, or otherwise fails to fulfill the terms of the service agreement. In such cases, the employee may retain any relocation incentive payments attributable to completed service, but must repay any portion of the incentive attributable to uncompleted service. The California National Guard is not obligated to pay the employee any outstanding incentive payment attributable to completed service unless such payment was required under the terms of the relocation incentive service agreement. The California National Guard will notify an employee in writing when it terminates a relocation incentive service agreement. The termination of a service agreement is neither grievable nor appealable.

o. Payment and Termination Calculations:

(1) *Payment options*: A relocation incentive, once approved, will be paid as an initial lump-sum payment after the employee has relocated to the new geographic area. However if the payment will make the employee exceed the aggregate limitation on pay, the "excess" payment amount will be paid on the first full pay period at the beginning of the following calendar year.

(2) *Payment calculation*: The California National Guard must determine the total amount of the relocation incentive that will be paid to an employee for a service period when authorizing the incentive. The total amount of the relocation incentive payment received during the service period may not exceed 25 percent of the employee's annual rate of adjusted basic pay in effect at the beginning of the service period multiplied by the number of years (including fractions of a year) in the service period (not to exceed 4 years).

(3) For the purpose of computing an annual rate for an employee who does not have a scheduled annual rate of adjusted basic pay, multiply the applicable hourly rate in effect at the beginning of the service period by 2,087.

(4) *Rate of adjusted basic pay*: For the purpose of calculating a relocation incentive, a rate of adjusted basic pay includes a special rate under 5 CFR part 530, subpart C, a locality payment under 5 CFR part 531, subpart F, or similar payment under other legal authority, but excludes additional pay of any other kind. For example, a rate of adjusted basic pay excludes night shift differentials under 5 USC 5343(f) and environmental differentials under 5 USC 5343(c)(4) for Federal Wage System employees.

(5) *Determining the number of years in a service period*: To determine the number of years in a service period, divide the total number of calendar days in the service period by 365 and round the result to two decimal places. For example, a service period covering 39 biweekly pay periods equals 546 days, and 546 days divided by 365 days equals 1.50 years.

(6) A relocation incentive service period must begin on the first day of a pay period and end on the last day of a pay period and may not exceed 4 years. A relocation incentive service period may not be less than 6 months.

(7) *Recovering or waiving a debt owed the Government*: If an employee must repay a portion of a relocation incentive and fails to reimburse the California National Guard for the full amount owed, the amount outstanding must be recovered from the employee under the Department of Defense regulations for collection by offset from an indebted Government employee under 5 USC 5514 and 5 CFR part 550, subpart K, or through the appropriate provisions governing Federal debt collection if the individual is no longer a Federal employee.

p. Documentation and record keeping requirements: The CNG Form 690-21, Relocation Incentive Nomination/Justification, and CNG Form 690-22, Employment Agreement for Relocation Incentive, have been created to document the requirements, justification, certifications, service agreement, and approval of a relocation incentive. The approved forms will be filed on the left side of the OPF for a minimum of the period of time covered by their service agreement. The Directorate of Human Resources will also maintain a separate record of each approved relocation incentive.

6. Retention Incentive Policy.

a. Introduction: The California National Guard may pay a retention incentive to a current employee if the California National Guard determines that the unusually high or unique qualifications of the employee, or a special need of the agency for the employee's services makes it essential to retain the employee and that the employee would likely leave the California National Guard in absence of a retention incentive. A retention incentive may be paid only when the employee's rating of record under an official performance appraisal or evaluation system is at least "Fully Successful" or equivalent. This retention incentive plan applies uniformly across the California National Guard.

b. Covered Positions: A retention incentive may be paid to an eligible individual in a General Schedule (GS) or Federal Wage System (FWS) position. Employment status may be permanent, indefinite, or temporary.

c. Excluded Positions: Positions already currently covered by a service agreement for a recruitment incentive or relocation incentive are excluded from consideration for a retention incentive. Once the service agreement has expired, the individuals can be considered for a retention incentive. Employees with a less than "fully successful" performance rating on their last technician performance appraisal are excluded from receiving a retention incentive. The basis on determining "likely to leave" excludes military technicians who are seeking AGR tours or State Active Duty positions with the California National Guard.

d. Approval Authority: Retention incentives are requested by the nominating supervisor using the CNG Form 690-23 (Retention Incentive Nomination/Justification) and require coordination and certification of the appropriate Commander or Director. These certifications may not be delegated. Additionally, for Air National Guard funded positions, the appropriate wing comptroller must certify the availability of funds. Actions without the appropriate certifications will be returned without action. Approval authority for retention incentives is delegated by The Adjutant General to the Director of Human Resources and Deputy Director of Human Resources. In the event of their absence, a Supervisory Human Resources Specialist in the Directorate of Human Resources may approve time critical retention incentive actions. In all circumstances retention incentives must be made in accordance with statutory and regulatory requirements and this implementation plan.

e. Approval Criteria: For each determination to pay a retention incentive, the California National Guard must document in writing the basis for determining that the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services makes it essential to retain the employee and that the employee would be likely to leave the California National Guard in the absence of a retention incentive. The California National Guard must also consider the extent to which the employee's departure would affect the California National Guard's ability to carryout an activity or perform a function that is essential to the mission of the California National Guard; the success of recent efforts to recruit candidates with similar qualifications; and, the availability of qualified candidates in the labor market. Requests for a retention incentive received prior to appointment will be returned without action.

f. Groups of Employees: The California National Guard may "target" retention incentives to groups of similar positions which have historically been difficult to fill and retain. However, retention incentives are determined on an individual basis and not paid based on occupying a "targeted" position.

g. Payment: The California National Guard must establish a single retention incentive rate for the employee, expressed as a percentage of the employee's rate of adjusted basic pay, not to exceed 25 percent. The retention incentive will be paid in bi-weekly installments after the completion of the specified period of service (two weeks). The California National Guard may not pay a retention incentive as an initial lump-sum payment at the start of service or in advance of service. Retention incentives will not be paid to individuals in a non-pay status (Leave Without Pay – LWOP). The California National Guard may not offer or authorize a retention incentive for an individual prior to employment with the agency and may not begin paying a retention incentive during the service period established by an employee's recruitment or relocation incentive service agreement. However, a relocation incentive may be paid to an employee who is already receiving a retention incentive.

h. Documentation of Justification: The CNG Form 690-23, Retention Incentive Nomination/ Justification will be used to document the justification for payment of a retention incentive by the California National Guard. Requests which are not supportable will be returned without action. Specifically, nominating supervisors must document that the employee is likely to leave the California National Guard absent receiving a retention incentive and by addressing all of the following areas:

- (1) Criteria used by the supervisor to establish the percentage of the retention incentive;
- (2) Unusually high or unique qualifications of the employee or special need for the employee's services;
- (3) Extent to which the employee's departure would affect the California National Guard's ability to carryout an activity, or perform a function that is essential to the mission of the California National Guard; and

(4) Success of recent efforts to recruit candidates with similar qualifications and the availability of qualified candidates in the labor market.

i. Calculating Incentive Amounts:

(1) The incentive percentage is determined as the least amount possible to still retain the employee. The incentive amount is calculated by multiplying the employee's annual rate of adjusted basic pay at the beginning of the service period \times incentive percentage. The maximum retention incentive the California National Guard may authorize is 25 percent.

(2) A retained rate is not basic pay for the purpose of computing a retention incentive. The maximum rate of basic adjusted pay for the employee's grade must be used in place of the retained rate to calculate the retention incentive.

j. Retention Incentive Conditions: Before receiving a retention incentive, an employee must sign a written condition statement. The CNG Form 690-24, Retention Incentive Conditions, has been developed to document their understanding of these conditions. It must be signed by the employee and accompany the CNG Form 690-23, Retention Incentive Nomination/ Justification. Requests without a properly executed conditions statement will be returned without action. The statement describes:

(1) That a retention incentive may be paid as long as the conditions giving rise to the original determination to pay the incentive still exist;

(2) That managers may reduce or terminate an incentive if, for example, a lesser amount would be sufficient to retain the employee, the agency no longer feels a retention incentive is warranted for the position, or for budget considerations;

(3) Recipients are cautioned to not place themselves in financial jeopardy. Advance notice is not required to be given to an employee when a retention incentive is being reduced or terminated;

(4) Supervisors are required to review at least annually the conditions warranting continuation of the Retention Incentive. Annual re-certifications not received in the Directorate for Human Resources by the annual anniversary review date will be terminated on the anniversary date by the Directorate for Human Resources;

(5) A disciplinary or adverse action (e.g. written reprimand, suspension) or a technician appraisal system rating of unsatisfactory exclude employees from continuation of a retention incentive.

k. Service Agreement: A service agreement is not required to receive a retention incentive when the incentive is paid bi-weekly after the completion of the specified period of service (two weeks).

l. Performance Appraisals: At a minimum a technician performance appraisal rating of "fully successful" is required for an employee to receive a retention incentive. However, a performance appraisal is often not available for a new employee or required for a temporary employee. Supervisors can consider a new or temporary employee for a retention incentive as long as he/she is performing in a satisfactory manner and the employee has been employed for a minimum of six months as a military technician with the California National Guard. In these situations where a current or historical appraisal is not available a presumptive performance rating of "fully successful" is considered. Supervisors can consider past or historical performance ratings for this requirement for all other employees.

m. Aggregate Pay Limitation: Payment of a relocation incentive is subject to the aggregate limitation on pay under 5 CFR (see Aggregate Pay Limitation definition in paragraph 3).

n. Payment Options: A retention incentive once approved will be paid in bi-weekly installments after the completion of the specified period of service (two weeks). Payments are received along with normal salary. However if payment of a retention incentive will make the employee exceed the aggregate limitation on pay, the "excess" payment amount will be paid on the first full pay period at the beginning of the following calendar year.

o. Termination of Retention Incentive:

(1) *Discretionary* - The California National Guard may unilaterally terminate a retention incentive based solely on management needs (i.e. budget).

(2) *Mandatory* - The California National Guard will terminate a retention incentive if an employee is demoted for cause (i.e., conduct), receives a rating of record lower than "Fully Successful" or equivalent while receiving the incentive; failure to re-certify at least annually the retention incentive; or if the employee is moved to another position (management directed or voluntary). The California National Guard will notify an employee when it terminates a relocation incentive service agreement by issuing a SF-50, Notification of Personnel Action. The termination of a retention incentive is neither grievable nor appealable.

p. Continuation, Reduction, or Termination of a Retention Incentive: The California National Guard must review each retention incentive annually to determine whether payment is still warranted and to certify the documentation in writing.

(1) *Continuation* - Annual recertification is documented by the supervisor on the CNG Form 690-25, Annual Recertification of Retention Incentive. A completed CNG Form 690-25 must arrive at the Directorate of Human Resources 30 days before the annual recertification date. The CNG Form 690-25 is only used to continue an earlier

approved retention incentive where the conditions and requested percentage have not changed. The retention incentive will be terminated if documentation is not received.

(2) *Increase* - To increase a percentage amount on a retention incentive, supervisors must submit the CNG 690-23, Retention Incentive Nomination/Justification and the CNG 690-24, Retention Incentive Conditions.

(3) *Reduction* - To decrease a percentage amount on a retention incentive, supervisors must submit the CNG 690-23, Retention Incentive Nomination/Justification and the CNG 690-24, Retention Incentive Conditions.

(4) *Termination* - To terminate a retention incentive, a management official (supervisor, commander, director, and comptroller) need only submit a memorandum or e-mail to the Directorate for Human Resources that clearly identifies the individual(s), the effective date of the requested termination of retention incentive, and reason(s) for the termination. Normally, a termination of a retention incentive is made effective at the beginning of the next pay period.

q. Documentation and record keeping requirements: The CNG Form 690-23, Retention Incentive Nomination/Justification; CNG Form 690-24, Retention Incentive Conditions; and CNG Form 690-25, Annual Recertification of Retention Incentive have been created to document the requirements, justification, certifications, recertification and approval of a retention incentive. The approved forms will be filed on the left side of the OPF for a minimum of the period of time while receiving a retention incentive. The Directorate of Human Resources will also maintain a separate record of each approved retention incentive.

FOR THE GOVERNOR:

WILLIAM H. WADE II

Major General

The Adjutant General

OFFICIAL:



STUART D. EWING

Captain, CA ANG

Deputy, Human Resources Officer